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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.586 OF 2004

The Commissioner of Income-tax ..Appellant.

V/s.

M/s.Colgate Palmolive (India) Ltd. ..Respondent.

Mr.Ashok Kotangale i/b. Pankaj Kapoor for appellant.

Mr.R,Murlidhar with H.Toor i/b. P.J. Ranga for respondent.

CORAM : F.I.REBELLO AND
J.P.DEVADHAR, JJ.

DATED : 24TH JULY, 2007.

P.C. :-

The revenue has preferred the appeal on the following substantial question of law " Whether the expenses incurred by the assessee for issue bonus shares of Rs.89,81,256/- is capital expenditure and not a revenue expenditure as claimed by the assessee " ? Our attention is invited to the Judgment of the Supreme Court in **Commissioner of Income Tax V/s. General Insurance Corporation** reported in **(2006) 286 I.T.R. 232 (S.C.)**. After considering the various contentions, the Apex Court was pleased to hold that the expenditure incurred on issuing bonus shares is revenue expenditure and is not capital expenditure. Considering the above, the issue is covered by the said Judgment. Hence there is no merit in the appeal and is accordingly dismissed.

(F.I.REBELL0, J.)

(J.P.DEVADHAR, J.)